

UNITED STATES DISTRICT COURT
DISTRICT OF NEW HAMPSHIRE

U.S. DISTRICT COURT
DISTRICT OF N.H.
FILED

2014 APR 14 P 3:50

UNITED STATES OF AMERICA)

v.)

AARON E. OLSON)
_____)

No. 1:14-cr- **48-01-LM**

INFORMATION

The United States Attorney charges:

At All Times Material To This Information:

Background

1. Aaron E. Olson resided in Rindge, New Hampshire. He was married and annually filed joint U.S. Individual Income Tax Returns, Form 1040, on behalf of himself and his spouse with the Internal Revenue Service.

2. From in and around 2007 through in and around 2010, Aaron E. Olson was the sole proprietor of an investment business that did business as AEO Associates (AEO). In and around December 2010, Aaron E. Olson formed KMO Associates LLC (KMO), an investment business that was registered in Massachusetts. From about 2007 through about 2010, Aaron E. Olson used AEO and later KMO to obtain approximately \$27.8 million from individuals and organizations ostensibly to invest on their behalf in various commodity, stock, and bond markets. Aaron E. Olson operated AEO and KMO from an office in Jaffrey, New Hampshire.

3. Aaron E. Olson was not licensed as an investment broker in New Hampshire or in any other jurisdiction and he failed to register AEO and KMO with the State of New Hampshire as

an investment businesses.

4. Aaron E. Olson failed to maintain an accounting of the gains realized and losses incurred by investors as a result of any investments he made on their behalf.

5. Aaron E. Olson comingled the funds placed with him by investors with his own funds and converted approximately \$2.6 million of the funds investors placed with him to his own use. He also used some of the other funds investors placed with him to make payments of what he falsely purported to be “earnings” to other investors.

6. To mislead investors about the true disposition of the funds they placed with him, and to entice them to place more funds with him to invest, Aaron E. Olson sent investors false earnings statements that showed significant earnings on their investments. Aaron E. Olson knew these statements were false because he had converted investors’ funds to his own use and used their funds to pay purported “earnings” to other investors and had lost investors funds on investments that performed poorly.

7. Aaron E. Olson attempted to evade or defeat taxes due and owing to the United States of America on income he obtained through AEO and KMO by the following affirmative acts:

- (a) He failed to report the gross receipts and expenses associated with the operation of AEO and KMO on Schedule C of his joint Individual Income Tax Returns, Form 1040;
- (b) He failed to report the gross receipts and expenses associated with the operation of KMO on Form 1065 (U.S. Return of Partnership Income);
- (c) He failed to issue Forms 1099 with the Internal Revenue Service

summarizing investors' annual gains and losses;

- (d) He comingled investors' funds with his funds in an E*Trade investment account he controlled, which caused E*Trade to issue Forms 1099 to Aaron E. Olson for investment gains and losses that belonged to investors and not to him; and
- (e) He reported some investment gains and losses on Schedule D of his joint Individual Tax Returns, Form 1040, that belonged to investors and not to him.

COUNT ONE

[26 U.S.C. § 7201 – Attempt To Evade or Defeat Tax]

8. In and around 2008, in the District of New Hampshire, the defendant,

Aaron E. Olson,

did willfully and knowingly attempt to evade and defeat part of the income tax due and owing by him and his spouse to the United States for the calendar year 2007 by preparing, signing, and delivering, and causing to be prepared, signed, and delivered, a false and fraudulent joint U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his spouse, which tax return was filed with the Internal Revenue Service, wherein it was stated that the tax due and owing to the United States for the calendar year 2007 was \$1,401.00, whereas as he then and there well knew and believed, their joint tax liability for the said calendar year was substantially in excess of that stated on said tax return and that an additional tax of approximately \$320,744.00 was due and owing to the United States of America.

All in violation of Title 26, United States Code, Section 7201.

The United States Attorney charges further:

COUNT TWO

[26 U.S.C. § 7201 – Attempt To Evade or Defeat Tax]

9. The United States Attorney re-alleges paragraphs one through seven of this Information.

10. In and around 2009, in the District of New Hampshire, the defendant,
Aaron E. Olson,
did willfully and knowingly attempt to evade and defeat part of the income tax due and owing by him and his spouse to the United States for the calendar year 2008 by preparing, signing, and delivering, and causing to be prepared, signed, and delivered, a false and fraudulent joint U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his spouse, which tax return was filed with the Internal Revenue Service, wherein it was stated that the tax due and owing to the United States for the calendar year 2008 was \$1,419.00, whereas as he then and there well knew and believed, their joint tax liability for the said calendar year was substantially in excess of that stated on said tax return and that an additional tax of approximately \$66,638.00 was due and owing to the United States of America.

All in violation of Title 26, United States Code, Section 7201.

The United States Attorney charges further:

COUNT THREE

[26 U.S.C. § 7201 – Attempt To Evade or Defeat Tax]

11. The United States Attorney re-alleges paragraphs one through seven of this Information.

12. In and around 2010, in the District of New Hampshire, the defendant,
Aaron E. Olson,
did willfully and knowingly attempt to evade and defeat part of the income tax due and owing by him and his spouse to the United States for the calendar year 2009 by preparing, signing, and delivering, and causing to be prepared, signed, and delivered, a false and fraudulent joint U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his spouse, which tax return was filed with the Internal Revenue Service, wherein it was stated that the tax due and owing to the United States for the calendar year 2009 was \$6,331.00, whereas as he then and there well knew and believed, their joint tax liability for the said calendar year was substantially in excess of that stated on said tax return and that an additional tax of approximately \$25,889.00 was due and owing to the United States of America.

All in violation of Title 26, United States Code, Section 7201.

The United States Attorney charges further:

COUNT FOUR

[26 U.S.C. § 7201 – Attempt To Evade or Defeat Tax]

13. The United States Attorney re-alleges paragraphs one through seven of this Information.

14. In and around 2011, in the District of New Hampshire, the defendant,
Aaron E. Olson,
did willfully and knowingly attempt to evade and defeat part of the income tax due and owing by him and his spouse to the United States for the calendar year 2010 by preparing, signing, and delivering, and causing to be prepared, signed, and delivered, a false and fraudulent joint U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his spouse, which tax return was filed with the Internal Revenue Service, wherein it was stated that the tax due and owing to the United States for the calendar year 2010 was \$26,749.00, whereas as he then and there well knew and believed, their joint tax liability for the said calendar year was substantially in excess of that stated on said tax return and that an additional tax of approximately \$251,641.00 was due and owing to the United States of America.

All in violation of Title 26, United States Code, Section 7201.

JOHN P. KACAVAS
United States Attorney

April 14, 2014

By:


Mark S. Zuckerman
Assistant United States Attorney